



OFFICE OF THE UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

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COMPTROLLER

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARIES OF THE MILITARY  
DEPARTMENTS (FINANCIAL OPERATIONS)  
COMPTROLLERS/CHIEF FINANCIAL OFFICERS OF THE  
DEFENSE AGENCIES  
COMPTROLLERS/CHIEF FINANCIAL OFFICERS OF THE  
DOD FIELD ACTIVITIES

SUBJECT: Implementation of Updates to Department of Defense Base Closure Accounts

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013, Section 2711 (attached), establishes a new appropriation for the Department of Defense Base Closure Account (97X0516) and cancels the existing Base Realignment and Closure accounts (97X0510 and 97X0512). This change will take effect in FY 2014 upon enactment of the NDAA for FY 2014. Existing funds may be transferred to the new appropriation and existing obligations may be disbursed from the new appropriation. As applicable, components must develop processes, extract data, and implement defined solutions to make this transition.

The Office of the Under Secretary of Defense (Comptroller) point of contact for budget issues is Mr. Steve Weidenkopf, Military Personnel and Construction Directorate, 703-695-6482 or [steven.a.weidenkopf.civ@mail.mil](mailto:steven.a.weidenkopf.civ@mail.mil). For accounting issues, please contact Mr. Joseph Doyle, Business Integration Office, at 703-614-3523 or [joseph.f.doyle10.civ@mail.mil](mailto:joseph.f.doyle10.civ@mail.mil).



Mark E. Easton  
Deputy Chief Financial Officer

Attachment:  
As stated

cc:  
Deputy Under Secretary of Defense for Installations and Environment

PUBLIC LAW 112-239—JAN. 2, 2013

NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2013

**SEC. 2702. AUTHORIZATION OF APPROPRIATIONS FOR BASE REALIGNMENT AND CLOSURE ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.**

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2012, for base realignment and closure activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act as specified in the funding table in section 4601.

**Subtitle B—Other Matters**

**SEC. 2711. CONSOLIDATION OF DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNTS AND AUTHORIZED USES OF BASE CLOSURE ACCOUNT FUNDS.**

(a) **ESTABLISHMENT OF SINGLE DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT; USE OF FUNDS.**—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by striking sections 2906 and 2906A and inserting the following new section 2906:

**“SEC. 2906. DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT.**

“(a) **ESTABLISHMENT.**—There is hereby established on the books of the Treasury an account to be known as the ‘Department of Defense Base Closure Account’ which shall be administered by the Secretary as a single account.

“(b) **CREDITS TO ACCOUNT.**—There shall be credited to the Account the following:

“(1) Funds authorized for and appropriated to the Account.

“(2) Funds transferred to the Account pursuant to section 2711(b) of the Military Construction Authorization Act for Fiscal Year 2013.

“(3) Funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that funds may be transferred under the authority of this paragraph only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional defense committees.

“(4) Proceeds received from the lease, transfer, or disposal of any property at a military installation closed or realigned under this part or the 1988 BRAC law.

“(c) **USE OF ACCOUNT.**—

“(1) **AUTHORIZED PURPOSES.**—The Secretary may use the funds in the Account only for the following purposes:

“(A) To carry out the Defense Environmental Restoration Program under section 2701 of title 10, United States Code, and other environmental restoration and mitigation activities at military installations closed or realigned under this part or the 1988 BRAC law.

“(B) To cover property management, disposal, and caretaker costs incurred at military installations closed or realigned under this part or the 1988 BRAC law.

“(C) To cover costs associated with supervision, inspection, overhead, engineering, and design of military construction projects undertaken under this part or the 1988 BRAC law before September 30, 2013, and subsequent claims, if any, related to such activities.

“(D) To record, adjust, and liquidate obligations properly chargeable to the following accounts:

“(i) The Department of Defense Base Closure Account 2005 established by section 2906A of this part, as in effect on September 30, 2013.

“(ii) The Department of Defense Base Closure Account 1990 established by this section, as in effect on September 30, 2013.

“(iii) The Department of Defense Base Closure Account established by section 207 of the 1988 BRAC law, as in effect on September 30, 2013.

“(2) **SOLE SOURCE OF FUNDS.**—The Account shall be the sole source of Federal funds for the activities specified in paragraph (1) at a military installation closed or realigned under this part or the 1988 BRAC law.

“(3) **PROHIBITION ON USE OF ACCOUNT FOR NEW MILITARY CONSTRUCTION.**—Except as provided in paragraph (1), funds in the Account may not be used, directly or by transfer to another appropriations account, to carry out a military construction project, including a minor military construction project, under section 2905(a) or any other provision of law at a military installation closed or realigned under this part or the 1988 BRAC law.

“(d) **DISPOSAL OR TRANSFER OF COMMISSARY STORES AND PROPERTY PURCHASED WITH NONAPPROPRIATED FUNDS.**—

“(1) **DEPOSIT OF PROCEEDS IN RESERVE ACCOUNT.**—If any real property or facility acquired, constructed, or improved (in whole or in part) with commissary store funds or non-appropriated funds is transferred or disposed of in connection with the closure or realignment of a military installation under this part, a portion of the proceeds of the transfer or other disposal of property on that installation shall be deposited in the reserve account established under section 204(b)(7)(C) of the 1988 BRAC law.

“(2) The amount so deposited under paragraph (1) shall be equal to the depreciated value of the investment made with such funds in the acquisition, construction, or improvement of that particular real property or facility. The depreciated value of the investment shall be computed in accordance with regulations prescribed by the Secretary.

“(3) **USE OF RESERVE FUNDS.**—Subject to the limitation contained in section 204(b)(7)(C)(iii) of the 1988 BRAC law, amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended, for the purpose of acquiring, constructing, and improving—

“(A) commissary stores; and

“(B) real property and facilities for nonappropriated fund instrumentalities.

“(e) **CONSOLIDATED BUDGET JUSTIFICATION DISPLAY FOR ACCOUNT.**—

“(1) CONSOLIDATED BUDGET INFORMATION REQUIRED.—The Secretary shall establish a consolidated budget justification display in support of the Account that for each fiscal year—

“(A) details the amount and nature of credits to, and expenditures from, the Account during the preceding fiscal year;

“(B) separately details the caretaker and environmental remediation costs associated with each military installation for which a budget request is made;

“(C) specifies the transfers into the Account and the purposes for which these transferred funds will be further obligated, to include caretaker and environment remediation costs associated with each military installation;

“(D) specifies the closure or realignment recommendation, and the base closure round in which the recommendation was made, that precipitated the inclusion of the military installation; and

“(E) details any intra-budget activity transfers within the Account that exceeded \$1,000,000 during the preceding fiscal year or that are proposed for the next fiscal year and will exceed \$1,000,000.

“(2) SUBMISSION.—The Secretary shall include the information required by paragraph (1) in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code.

“(f) CLOSURE OF ACCOUNT; TREATMENT OF REMAINING FUNDS.—

“(1) CLOSURE.—The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code, except that unobligated funds which remain in the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under paragraph (2).

“(2) FINAL REPORT.—No later than 60 days after the closure of the Account under paragraph (1), the Secretary shall transmit to the congressional defense committees a report containing an accounting of—

“(A) all the funds credited to and expended from the Account or otherwise expended under this part or the 1988 BRAC law; and

“(B) any funds remaining in the Account.

“(g) DEFINITIONS.—In this section:

“(1) The term ‘commissary store funds’ means funds received from the adjustment of, or surcharge on, selling prices at commissary stores fixed under section 2685 of title 10, United States Code.

“(2) The term ‘nonappropriated funds’ means funds received from a nonappropriated fund instrumentality.

“(3) The term ‘nonappropriated fund instrumentality’ means an instrumentality of the United States under the jurisdiction of the Armed Forces (including the Army and Air Force Exchange Service, the Navy Resale and Services Support Office, and the Marine Corps exchanges) which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the Armed Forces.

“(4) The term ‘1988 BRAC law’ means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).”.

(b) CLOSURE OF EXISTING CURRENT ACCOUNTS; TRANSFER OF FUNDS.— 10 USC 2687 note.

(1) CLOSURE.—Subject to paragraph (2), the Secretary of the Treasury shall close, pursuant to section 1555 of title 31, United States Code, the following accounts on the books of the Treasury:

(A) The Department of Defense Base Closure Account 2005 established by section 2906A of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), as in effect on the effective date of this section.

(B) The Department of Defense Base Closure Account 1990 established by section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), as in effect on the effective date of this section.

(C) The Department of Defense Base Closure Account established by section 207 of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note), as in effect on the effective date of this section.

(2) TRANSFER OF FUNDS.—All amounts remaining in the three accounts specified in paragraph (1) as of the effective date of this section, shall be transferred, effective on that date, to the Department of Defense Base Closure Account established by section 2906 of the Defense Base Closure and Realignment Act of 1990, as added by subsection (a).

(3) CROSS REFERENCES.—Except as provided in this subsection or the context requires otherwise, any reference in a law, regulation, document, paper, or other record of the United States to an account specified in paragraph (1) shall be deemed to be a reference to the Department of Defense Base Closure Account established by section 2906 of the Defense Base Closure and Realignment Act of 1990, as added by subsection (a).

(c) CONFORMING AMENDMENTS.—

(1) REPEAL OF FORMER ACCOUNT.—Section 207 of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is repealed.

(2) REPEAL OF OBSOLETE REPORTING REQUIREMENT.—Section 2907 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is repealed.

(3) DEFINITION.—

(A) 1990 LAW.—Section 2910(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by striking “1990 established by section 2906(a)(1)” and inserting “established by section 2906(a)”.

(B) 1988 LAW.—The Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note) is amended—



(i) in section 204(b)(7)(A), by striking “established by section 207(a)(1)”; and

(ii) in section 209(1), by striking “established by section 207(a)(1)” and inserting “established by section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note)”.

(4) ENVIRONMENTAL RESTORATION.—Chapter 160 of title 10, United States Code, is amended—

(A) in section 2701(d)(2), by striking “Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established under sections 2906 and 2906A” and inserting “Department of Defense Base Closure Account established by section 2906”;

(B) in section 2703(h)—

(i) by striking “the applicable Department of Defense base closure account” and inserting “the Department of Defense Base Closure Account established under section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note)”; and

(ii) by striking “the applicable base closure account” and inserting “such base closure account”; and

(C) in section 2705(g)(2), by striking “Closure Account 1990” and inserting “Closure Account”.

(5) DEPARTMENT OF DEFENSE HOUSING FUNDS.—Section 2883 of such title is amended—

(A) in subsection (c)—

(i) by striking subparagraph (G) of paragraph (1); and

(ii) by striking subparagraph (G) of paragraph (2); and

(B) in subsection (f)—

(i) in the first sentence, by striking “or (G)” both places it appears; and

(ii) by striking the second sentence.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the later of—

(1) October 1, 2013; and

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2014.

10 USC 2701  
note.

**SEC. 2712. REVISED BASE CLOSURE AND REALIGNMENT RESTRICTIONS AND COMPTROLLER GENERAL ASSESSMENT OF DEPARTMENT OF DEFENSE COMPLIANCE WITH CODIFIED BASE CLOSURE AND REALIGNMENT RESTRICTIONS.**

(a) CIVILIAN PERSONNEL REDUCTIONS BELOW PRESCRIBED THRESHOLDS.—Section 2687 of title 10, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (g) and moving such subsection to the end of the section;

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(3) by inserting after subsection (b) the following new subsection (c):